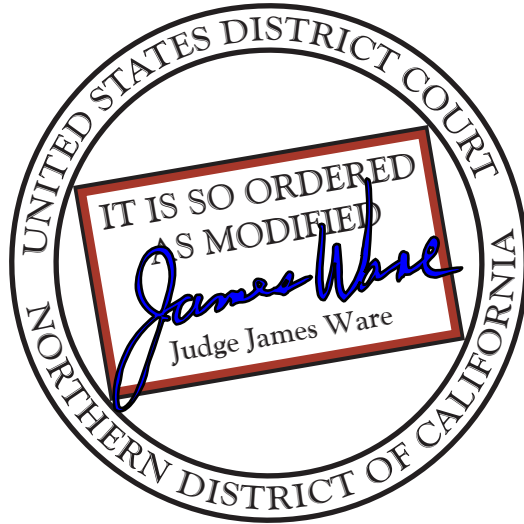


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8  
9 **IN THE UNITED STATES DISTRICT COURT FOR THE**  
10 **NORTHERN DISTRICT OF CALIFORNIA**  
11 **SAN JOSE DIVISION**

12 **UNITED STATES OF AMERICA,**

13 **Plaintiff,**

14 **v.**

15 **CAROL LINDSAY (aka CAROL LE**  
**MARQUAND); STATE OF CALIFORNIA,**  
16 **FRANCHISE TAX BOARD; COUNTY OF**  
**SANTA CRUZ, OFFICE OF TAX**  
17 **COLLECTOR,**

18 **Defendants.**

**No. C-06-5397-JW**

**JOINT STATEMENT IN**  
**RESPONSE TO ORDER TO SHOW**  
**CAUSE RE SETTLEMENT**

**DATE: MARCH 3, 2008**  
**TIME: 9:00 A.M.**

19 This is an action to reduce to judgment certain outstanding income tax assessments for  
20 the tax years 1990 through 1995 made against defendant Carol Lindsay and to foreclose federal  
21 tax liens upon the real property located at 144 Getchell Street, San Jose, California. Ms. Lindsay  
22 had not filed her federal income tax returns for the years at issue. The tax assessments made  
23 against Ms. Lindsay for those years, as set forth in paragraph 10 of the Complaint, were based on  
24 Substitute for Returns.

25 Ms. Lindsay has agreed with both the IRS's and the FTB's calculations of the tax  
26 liabilities due and owing. She anticipates paying the FTB tax liability soon from current assets.  
27 The IRS tax liability is of a magnitude that will require a loan. Ms. Lindsay has applied for a  
28 loan and believes she will be able to secure one. She anticipates the loan will be obtained and the

1 IRS paid within 60 days. Ms. Lindsay owns the real property that is the subject of the foreclosure  
2 action free of any encumbrances other than the federal, state and/or local tax liabilities. The  
3 government cannot dismiss this action until payment is received. The action was filed because  
4 the statute of limitations on collection was expiring.

5 For the foregoing reasons, the parties recommend that this case be set for a further case  
6 management conference in sixty (60) days.

8 Respectfully submitted,

9 JOSEPH P. RUSSONIELLO  
10 United States Attorney

11 Dated: February 25, 2008

/s/ David L. Denier  
12 DAVID L. DENIER  
Assistant United States Attorney  
Tax Division

13  
14 Dated: February 25, 2008

/s/ David Porter  
15 DAVID B. PORTER  
Attorney for Defendant  
Carol J. Lindsay

17 BILL LOCKYER  
18 Attorney General of the State of California


19 Dated :February 25, 2008

/s/ Randall P. Borcharding  
20 RANDALL P. BORCHERDING  
Deputy Attorney General  
Attorneys for Defendant Franchise Tax Board

21 \*\*\* **ORDER** \*\*\*

22 Based on the parties' representations, the Court continues the Order to Show Cause  
23 hearing currently set for March 3, 2008 to **June 2, 2008 at 9 A.M.** This is the final  
24 continuance. If a Stipulated Dismissal is not filed by **May 27, 2008**, the parties shall file a  
25 Joint Statement in Response to the Order to Show Cause on the same date.  
26  
27

28 Dated: February 27, 2008

  
JAMES WARE  
United States District Judge